

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE RATES OF THE)	CASE NO. 97-321
SOUTH SHORE WATER WORKS COMPANY)	

O R D E R

On July 16, 1997, South Shore Water Works Company ("South Shore") applied for, inter alia, Commission approval of a proposed increase in its rates for water service. The proposed rates for water service would generate additional annual revenues of \$81,253.98, an increase of 19.58 percent above normalized test-year revenues.

On August 26, 1997, Commission Staff conducted a field review of South Shore's test-period financial records. Based upon this review, Commission Staff issued its report on October 27, 1997, in which it recommended that South Shore be authorized an increase of \$42,345.44, or 10.16 percent, in normalized operating revenues from water sales of \$416,661.17.

By Order dated October 27, 1997, the Commission advised South Shore to file comments on the Staff Report or request a hearing within 15 days or the case would stand submitted to the Commission for decision. On October 31, 1997, South Shore advised the Commission in writing that it accepted the recommendations contained in the Staff Report and waived any right to a hearing in this matter.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds:

1. The recommendations and findings contained in the Staff Report are supported by the evidence of record, are reasonable, and are hereby adopted as the findings of the Commission in this proceeding and are incorporated by reference as if fully set out herein.

2. The rates in Appendix A are the fair, just, and reasonable rates for South Shore and will produce annual operating revenue of \$459,006.61 and gross annual revenue of \$491,606.39. These rates will allow South Shore sufficient revenues to meet its operating expenses, and provide for future equity growth, including provisions for servicing its debt.

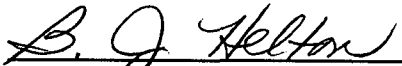
3. The rates proposed by South Shore would produce revenue increases in excess of that found reasonable herein and should be denied.

IT IS THEREFORE ORDERED that:

1. The rates proposed by South Shore in its application are hereby denied.
2. The rates in Appendix A are approved for service rendered by South Shore on and after November 15, 1997.
3. Within 30 days of the date of this Order, South Shore shall file with the Commission its revised tariff setting out the rates approved herein.

Done at Frankfort, Kentucky, this 14th day of November, 1997.

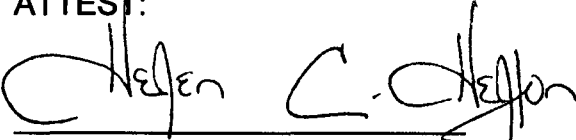
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-321 DATED 11/14/97

The following rates and charges are prescribed for the customers in the area served by South Shore Water Works Company, effective November 15, 1997. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to November 15, 1997.

First 1,000 Gallons	\$5.90 Minimum Bill
Next 9,000 Gallons	2.93 Per 1,000 Gallons
Next 20,000 Gallons	2.45 Per 1,000 Gallons
Over 30,000 Gallons	2.34 Per 1,000 Gallons
Hydrant Charge	\$10.45 Per Month